

Message Text

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PAGE 01 BUENOS 01357 241251Z
ACTION OES-07

INFO OCT-01 ARA-10 EUR-12 ISO-00 ACDA-12 CIAE-00
INR-10 IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-05
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FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC PRIORITY 4658
INFO AMEMBASSY LIMA PRIORITY
AMEMBASSY VIENNA PRIORITY

C O N F I D E N T I A L BUENOS AIRES 1357

USIAEA

E.O. 11652: GDS
TAGS: PARM, IAEA, TECH, AR, PE
SUBJECT: U.S. FUEL FOR ARGENTINA REACTOR LOAN TO PERU AND
ARGENTINA 10MW REACTOR SALE TO PERU.

REF (A) VIENNA 1745, (B) STATE 44944

1. SCIENCE COUNSELOR MET YESTERDAY AND TODAY WITH ABEL GONZALEZ - MANAGER OF SAFEGUARDS DIVISION OF CNEA AND CARLOS CERISOLA - HEAD NUCLEAR MATERIAL CONTROL DEPARTMENT TO DISCUSS INSTRUCTIONS FOR CNEA TO SUBMIT MB-10 FORM THROUGH IAEA TO U.S. DEPT OF ENERGY FOR TRANSFER OF US ORIGIN FUEL FOR ARGENTINA REACTOR LOAN TO PERU. GONZALEZ INDICATED THAT BECAUSE OF NEW FOUR PARTY AGREEMENT HE IS NOT SURE WHAT INSTRUCTION TO FOLLOW ON SUBMISSION OF FORM. SCIENCE COUNSELOR EXPLAINED TO GONZALEZ THAT FOUR PARTY AGREEMENT WAS APPROVED BY IAEA BOARD OF GOVERNORS ON WEDNESDAY FEBRUARY 22 AND ACCORDING TO TELEGRAM JUST RECEIVED TODAY FROM VIENNA SIGNED MB-10 FORM WAS BEING HAND CARRIED TO WASHINGTON ON FRIDAY FEB 24 IN ORDER TO INITIATE NECESSARY PRO-
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CEDURES FOR U.S. GOVERNMENT APPROVAL OF FUEL TRANSFER.

2. SCIENCE COUNSELOR ASSURED GONZALEZ THAT FOLLOWING THE SIGNING AND ENTRY INTO FORCE OF THE SUPPLY AGREEMENT, USG APPROVAL OF TRANSFER WOULD BE FORTHCOMING IN 25 DAYS. GONZALEZ ASKED ABOUT TIMING OF US SIGNING OF SUPPLY AGREEMENT. SCIENCE COUNSELOR INDICATED THAT

EVERY EFFORT IS BEING MADE IN WASHINGTON TO SIGN THIS AGREEMENT AS PROMPTLY AS POSSIBLE; AND SINCE MB-10 WILL BE ALREADY ON HAND, APPROVAL OF TRANSFER OF FUEL WILL BE EXPEDITED WITHIN THE 25 DAY TIME FRAME. GONZALEZ ASSUMED THAT THE SER-1 FORM (NOTIFICATION OF MATERIAL TRANSFER) SHOULD BE SUBMITTED AFTER ARGENTINA HAS RECEIVED USG APPROVAL OF MB-10 AND FUEL IS SHIPPED TO PERU.

3. ON ANOTHER SUBJECT GONZALEZ BROUGHT UP THE PROBLEM OF THE 10MW REACTOR TO PERU. HE SAID THE CONTRACT FOR THE SALE OF THIS REACTOR TO PERU IS EXTREMELY IMPORTANT SINCE ARGENTINA HAS ITS PRESTIGE ON THE LINE AS THE TOP SUPPLIER OF NUCLEAR MATERIALS IN LATIN AMERICA. GONZALEZ SAID THAT ARGENTINA HAS MADE A COMMITMENT AND MUST FOLLOW THROUGH. HE STATED THAT THERE ARE ONLY TWO ALTERNATIVES INVOLVING THE US FUEL FOR THIS REACTOR - (1) THE US MUST SUPPLY THE 90 PERCENT ENRICHED (HEU) OR (2) THE US MUST GIVE ARGENTINA THE "RECIPE". I.E.: TECHNOLOGY FOR DEVELOPMENT OF THE REACTOR TO OPERATE WITH LEU 20 PERCENT OR LESS SINCE ARGENTINA DOES NOT HAVE THE TECHNOLOGY.

4. GONZALEZ AGAIN EMPHASIZED THE IMPORTANCE OF THIS COMMERCIAL SALE TO PERU FOR THE FUTURE OF ARGENTINA'S NUCLEAR PRESTIGE IN LA.
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5. SCIENCE COUNSELOR MENTIONED THAT THE US CONSIDERS THIS A NEW PROJECT AND NOT ELIGIBLE FOR 90 PERCENT ENRICHED FUEL. HOWEVER, THERE WERE POSSIBILITIES OF HIGH DENSITY FUEL, LEU, SUCH AS THAT SUPPLIED BY GENERAL ATOMICS. IN FACT, SCIENCE COUNSELOR TOLD GONZALEZ THAT G.A. REPRESENTATIVES WOULD BE HAPPY TO DISCUSS THE PROVISION OF LEU TRIGA FUEL AND INSTRUMENTATION TO CNEA FOR THE PERU REACTOR AS WELL AS EXPERT DESIGN CONSULTATION.

6. GONZALEZ SAID HE WOULD DISCUSS THIS WITH ADMIRAL CASTRO MADERO AND MR. COLL NEXT WEEK.

7. COMMENTS: MR. PETER JONES OF GENERAL ATOMICS HAS INFORMED EMBASSY HE WOULD BE INTERESTED IN DISCUSSING ARGENTINA'S REACTOR AND FUEL NEEDS INVOLVING MODIFICATION OF THE RA-3 TO USE LEU AND THE 10MW REACTOR FOR PERU. THE TRIGA RESEARCH REACTOR FUELS USING LEU ARE SUITABLE FOR OPERATION UP TO 15MW AND ARE EXPORTABLE SINCE THEY ARE LEU. WE WILL DETERMINE CNEA INTEREST IN POSSIBLE GA DISCUSSIONS NEXT WEEK.

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Message Attributes

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